



CITY OF **LOMPOC**

July 7, 2008

Ms. Sonja A. Anderson
Power Marketing Manager, Sierra Nevada Region
Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630-4710
sanderso@wapa.gov

Dear Ms. Anderson:

**Re: Comments of City of Lompoc Utilities Department Regarding Western's
Notice of Proposed 2015 Resource Pool Size and Revised Eligibility Criteria
Published May 5, 2008, at 73 FR 24592**

The City of Lompoc (Lompoc) receives a small allocation of CVP power under the Department of Energy 2004 Power Marketing Plan for Western's Sierra Nevada Customer Service Region. In the current Fiscal Year through April 2008, that allocation provided Lompoc with approximately 3.5% of the energy needed to serve our customers. Lompoc has been active in acquiring resources over the last 30 years through joint action with reasonable success in acquiring renewable hydro and geothermal resources.

Lompoc appreciates the work of Western and its staff in addressing hydro remarketing in the region. Our Western allocation, tiny as it is, is valued by our publicly owned utility. In recognition of the above, we submit the following comments:

Lompoc supports the efforts of Western to provide for a 2015 Resource Pool sufficient to promote widespread use of Federal power. It is in keeping with Western's mission to spread its resources toward those preference utilities that have received the least from Western to date.

In the years leading up to 2004, Western, with the active involvement of its customers and prospective customers, developed an extensive Power Marketing Plan that successfully balanced several competing interests. Western is now proposing to eliminate from the criteria in the 2015 Resource Pool Eligibility Criteria that states "Existing Customers may apply for a resource pool allocation if their Extension CRD, set forth in Appendix A [of the Marketing Plan (in) Federal Register 64 FR 34417] is not more than 15 percent of their peak load in the calendar year prior to the Call for Applications, and not more than 10 MW". Western presents two reasons:

- Western believes that this criterion is too restrictive to ensure full subscription of its resources. With respect to this first reason, Western is mistaken. Even if only a very few preference utilities alone applied for the 2015 Resource Pool, the 2015 Resource Pool would be fully subscribed and beneficially used.
- The 2015 Resource Pool is based on a percentage of the Base Resource. The 2005 Resource Pool was determined from an Extension CRD, which is no longer applicable. Lompoc believes that this second argument is misplaced. The Extension CRD is a measure of benefits that a customer received from Western in the past, and could be a way of better balancing benefits in the future, giving previously underserved customers a more reasonable allocation in the future.

For the above stated reasons, Lompoc strongly recommends that Western retain in principle, and modify rather than delete, the criterion that has been proposed for deletion. This criterion promotes widespread use, helps level the playing field, and assists struggling preference utilities. Western could change the 10 MW Extension CRD to a rough equivalent, such as 1% of Base Resource Percentage and change 15% of peak load to 15% of annual average system energy load.

In the event that Western is unable to fully subscribe the 2015 resource pool with the modified criterion, Lompoc believes that it should still give first allocation priority to those customers meeting the modified criterion.

Thank you for the opportunity to present these comments, I can be reached at r_stassi@ci.lompoc.ca.us, or 805-875-8299.

Respectfully submitted,

Ronald V. Stassi

Ronald V. Stassi
Utilities Director
City of Lompoc, CA